

MAR 04 2010

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

FILED

STATE OF NEBRASKA)	
DEPARTMENT OF INSURANCE,)	
)	CONSENT ORDER
PETITIONER,)	
)	
VS.)	CAUSE NO. A-1860
)	
RICHARD D. MARTIN,)	
)	
RESPONDENT.)	

In order to resolve this matter, the Nebraska Department of Insurance ("Department"), by and through its attorney, Janette L. Adair, and Richard D. Martin ("Respondent"), mutually stipulate and agree as follows:

JURISDICTION

1. The Department has jurisdiction over the subject matter and Respondent pursuant to Neb. Rev. Stat. §§ 44-101.01, and 44-4047 et seq. (Reissue 2004).
2. Respondent was licensed as an insurance agent under the laws of Nebraska at all times material hereto.

STIPULATIONS OF FACT

1. The Department initiated this administrative proceeding by filing a petition styled State of Nebraska Department of Insurance vs. Richard D. Martin, Cause Number A-1860 on December 23, 2009. A copy of the petition was served upon the Respondent at Respondent's business address registered with the Department by certified mail, return receipt requested.
2. On or about October 27, 2006, the State of Nebraska Department of Banking and Finance issued an Order to Show Cause directed at Respondent alleging violations of Nebraska law. A hearing was held on the matter on December 13, 2006, before Hearing Officer Leroy W.

Sievers. On or about January 9, 2007, John Munn, Director of the State of Nebraska Department of Banking and Finance issued a final order in the administrative action requiring Respondent to pay a \$2,000 fine plus one half of the costs, and placing restrictions on Respondent's securities license for a three year period. Respondent failed to report this administrative action directly to the Department within thirty days of the issuance of the final order. Respondent worked with his broker-dealer, Calton & Associates, to report this administrative action on his Form U-4. Respondent was not aware the Form U-4 is not available to the Department and did not intentionally conceal this information from the Department.

3. On or about December 31, 2007, the Iowa Insurance Division, Securities and Regulated Industries Bureau issued an Order Denying the Securities Agent License application of Respondent. On or about January 29, 2008, an Order was entered vacating the December 31, 2007 Order Denying the Securities Agent License application of Respondent. On or about January 29, 2008, a final order was entered in the administrative action in the form of a Consent Order granting Respondent an Iowa securities agent license subject to heightened supervision and restrictions for a two year period. Respondent failed to report this administrative action to the Petitioner within thirty days of the issuance of the final order. Respondent worked with his broker-dealer, Calton & Associates, to report this administrative action on his Form U-4. Respondent was not aware the Form U-4 is not available to the Department and did not intentionally conceal this information from the Department.

4. On or about August 19, 2008, Respondent met with Shahid Siddiqi (Siddiqi) to discuss a variable annuity product. In preparation for the meeting, Respondent obtained a hypothetical illustration of the annuity from Jackson National Life Insurance Company. Respondent provided

select pages of the illustration to Siddiqi, and only provided the complete illustration after Mr. Siddiqi requested it, before Mr. Siddiqi purchased the valuable annuity product..

5. On or about January 23, 2009, Respondent was instructed by Siddiqi to reallocate the underlying investments in a variable annuity purchased from Respondent by Siddiqi. Respondent immediately contacted Jackson National Life Insurance Company to execute the trade, but was told he could not submit the reallocation by phone on that date. Respondent did not follow up on submitting the reallocation request to the insurer until March 23, 2009, after Respondent was contacted by the Nebraska Department of Insurance regarding a complaint filed by Siddiqi. At that point, Respondent requested that Jackson National Life Insurance Company execute the trade retroactive to January 23, 2009, and this was done.

6. Respondent was informed of his right to a public hearing. Respondent waives that right, and enters into this Consent Order freely and voluntarily. Respondent understands and acknowledges that by waiving his right to a public hearing, Respondent also waives his right to confrontation of witnesses, production of evidence, and judicial review.

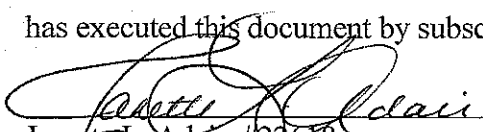
CONCLUSIONS OF LAW

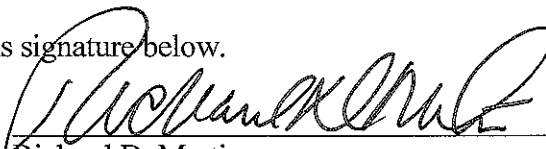
7. Respondent admits that the conduct as alleged in paragraphs 2 and 3, above, constitute violations of Neb. Rev. Stat. § 44-4065(1).

8. The Department asserts that Respondent violated Neb. Rev. Stat. § 44-4059(1)(h) (Reissue 2004) as a result of the conduct described in paragraphs 4 and 5, above, and specifically asserts that Respondent's conduct as described in paragraphs 4 and 5, above, demonstrated incompetence, untrustworthiness, or financial irresponsibility, as those terms are used in Neb. Rev. Stat. § 44-4059. In order to reach a compromise of the Department's claims, Respondent neither admits nor denies this allegation.

CONSENT ORDER

It is therefore ordered by the Director of Insurance and agreed by Respondent, Richard D. Martin, that Respondent shall pay an administrative penalty in the amount of two thousand dollars (\$2,000.00) due within 30 days after the Director of Insurance or her designee approves and signs this consent order. If Respondent fails to pay the amount required under this consent order, within the time specified, the Respondent's insurance producer license shall automatically be revoked. This Agreement represents the complete and final resolution of, and discharge of any basis for, any civil or administrative proceeding by the Department against Respondent in connection with the facts recited herein. In witness of their intention to be bound by this Consent Order, each party has executed this document by subscribing his signature below.


Janette L. Adair, #22618
Attorney for Petitioner
941 "O" Street, Suite 400
Lincoln, NE 68508
(402) 471-2201

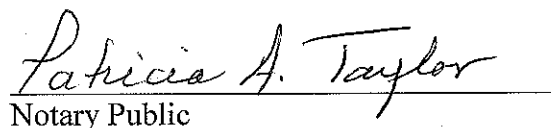

Richard D. Martin,
Respondent

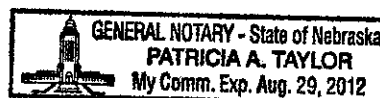
3-3-10
Date

March 1, 2010
Date

State of Nebraska)
County of Douglas) ss.

On this 1 day of March, 2010, Richard D. Martin personally appeared before me and read this Consent Order, executed the same and acknowledged the same to be his voluntary act and deed.

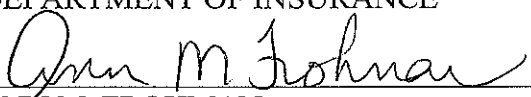

Notary Public



CERTIFICATE OF ADOPTION

I hereby certify that the foregoing Consent Order is adopted as the Final Order of the Nebraska Department of Insurance in the matter of State of Nebraska Department of Insurance vs. Richard D. Martin, Cause No. A-1860.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE


ANN M. FROHMAN
Director of Insurance

3/4/2010
Date

CERTIFICATE OF SERVICE

I hereby certify that a copy of the executed Consent Order was sent to the Respondent by mailing a copy to Respondent at Martin & Company Financial Services, Inc., 220 N. 89th St – Suite 103, Omaha, NE 68114, by certified mail, return receipt requested on this 3rd day of March, 2010.

